

Open Report on behalf of Andy Gutherson – Executive Director for Place

Report to:	Councillor R G Davies, Executive Councillor for Highways, Transport and IT
Date:	31 October – 8 November 2022
Subject:	Highways Infrastructure Asset Management Strategy
Decision Reference:	I026605
Key decision?	Yes

Summary:

We are responsible for managing a large highway network with approximately 9000km of carriageway and its associated footways, structures, drainage, street lighting and signals assets and an estimated value of around £11bn. The management of this asset has a significant impact on the County’s economy, residents, businesses and visitors.

The purpose of this Highways Infrastructure Asset Management Strategy is to:

- Formalise strategies for investment in key highway asset groups
- Define affordable service standards
- Improve how the highway assets are managed
- Enable a more effective and efficient highways service to be delivered

This document updates the previous Highways Asset Management Strategy and covers the period from 2022 – 2025.

The strategy aligns with the Council’s vision for Lincolnshire and describes how the highway assets contribute to achieving the Council's objectives. The information provided in the Highways Infrastructure Asset Management Strategy will allow us to make more informed decisions and ensure that the condition of our highway assets meets our requirements for the future.

Recommendation(s):

1. That the Executive Councillor approves the attached draft Highways Infrastructure Asset Management Strategy 2022 – 2025 at Appendix A.
2. That the new Highways Infrastructure Asset Management Strategy 2022 – 2025 is published on www.lincolnshire.gov.uk

Alternatives Considered:	
1.	The Highways Infrastructure Asset Management Strategy is not approved and adopted. We will continue without a defined strategy for the management of our highway assets. This will impact on the level of "Incentive" funding available from the Department for Transport capital maintenance grant.
2.	The Highways Infrastructure Asset Management Strategy 2022 - 2025 attached at Appendix A is approved and adopted with amendments.

Reasons for Recommendation:

Approving the proposed Highways Infrastructure Asset Management Strategy 2022 - 2025 will ensure that our policies, in respect of its key assets, align with our longer-term vision for a sound, asset management-based approach to highway maintenance, as defined in the Highways Asset Management Policy.

1. Background

In 2006 we developed our first Highways Asset Management Plan which was the initial step towards an asset management-based approach to highways maintenance.

In 2010, the CONFIRM asset management software was implemented, allowing better data capture, asset inventory and the tools to implement the vision of the Highways Asset Management Plan more effectively.

In 2012 the first Highways Asset Management Plan was replaced with the Transport Asset Management Strategy which covered the period for 2012 – 2016 and set out the strategy for the management of the highway asset for that period with a strong focus on preventative maintenance.

In December 2014 the Secretary of State for Transport announced that £6 billion capital funding would be made available up to 2020/21 for local highways maintenance, due to Covid 19, this was extended to 2022.

The scheme rewards councils that demonstrate that they are following an asset management approach and adopting best value and efficient practices to help manage its highway infrastructure.

The amount of incentive funding awarded to a local authority is based on a self-assessment score and is proportionate to other funding streams.

The incentive funding awarded to each local highway authority is based on their score in the questionnaire and will be relative to the amount received through the needs-based funding formula. For 2022/23, only authorities in Band 3 will receive their full share of

the £125 million, whilst authorities in Band 2 will receive 30% of their share, and Band 1 will receive no funding at all.

Year	2022/23
Band 1	0%
Band 2	30%
Band 3	100%

Each year we complete a self-assessment questionnaire comprising of 23 questions relating to the performance of our highways service in 5 key areas. These include:

- asset management policy and strategy
- communications
- performance management and maintenance
- asset data management
- lifecycle planning

The self-assessment Bands are based on the maturity of the authority in key areas, which are described in each question. The principle on which the levels of maturity for each question were determined is described below:

- **Band 1** – Has a basic understanding of key areas and is in the process of taking it forward.
- **Band 2** – Can demonstrate that outputs have been produced that support the implementation of key areas that will lead towards improvement.
- **Band 3** – Can demonstrate that outcomes have been achieved in key areas as part of a continuous improvement process.

A local authority's Band will be based on their score in the self-assessment questionnaire.

- **Band 1** – does not reach Level 2 or Level 3 in at least 15 of the 22 questions.
- **Band 2** – must reach Level 2 or Level 3 in at least 15 of the 22 questions.
- **Band 3** – must reach Level 3 in at least 18 of the 22 questions.

The following 3 questions are at the cornerstones of the asset management assessment:

1 Asset Management Policy and Strategy

2 Communications

5 Lifecycle Planning

Good scores on these 3 questions are essential for authorities aiming for Band 3.

Hence, if we, as an authority score as Level 1 in any or all of questions 1, 2 and 5, we will automatically be placed in Band 1 overall, regardless of our other scores.

Therefore, an up-to-date asset management strategy, that has member support and is published on our website, is a core requirement of the Department for Transport (DfT) incentive funding self-assessment in order to achieve Level 3. Without this, there is a risk that we could lose up to £4.3 million of funding per annum.

Our assessment is that Lincolnshire County Council remains a 'Band 3' performing authority and we continue to achieve 100% of the available incentive fund. We anticipate that the Incentive fund will remain static between 2022 to 2025. The total DfT funding allocation announced in the October 2021 Budget and Spending review pledged the overall funding is to remain for the next 3 years, for Lincolnshire County Council this is £42.06 million per annum. The result of this announcement is that with significant inflation pressure within the roads maintenance sector the spending power reduces unless further funding is announced.

The development of the Highways Infrastructure Asset Management Strategy has been a combined effort between officers and members of the authority with several discussions taking place throughout 2021 and 2022. During the development of the document three alternative strategies were developed and tested with all stakeholders. These were:

- Maintain Steady State for all asset groups except for the Unclassified carriageway network where it is proposed to commence an accelerated improvement programme. Addressing this large area of the network would help reduce the ongoing fault demand, increase public satisfaction, and position us in line with other rural authorities.
- Maintain Steady State for all asset groups.
- Enter a managed decline strategy. Consideration to be given to lowering service levels and / or managing the decline of key asset groups.

Ensuring that the stakeholders of the Strategy are aligned enables a united approach for the next 3 years and continues LCC's methodology to treating the management and maintenance of our highways assets as a multi-year endeavour. Throughout the process, discussion in relation to the importance and consistency of funding was at the forefront so that the service can develop lean and efficient systems of work throughout the service and the wider supply chain.

The discussion also focussed on how the current funding levels would impact highway asset condition, the services we provide, and the level of risk associated with that balance. It illustrated how changes in our budgets would affect future asset condition and if that funding were to change over the next three years how this may impact on service delivery.

The decision from these discussions was to maintain our assets in a steady state position, whilst improving our unclassified network and proactively look to secure funding to

achieve this. The Highways Infrastructure Asset Management Strategy 2022 – 2025 in Appendix A has been tailored to suit this direction of travel.

Highways Infrastructure Asset Management Strategy 2022 - 2025

Our Highways Infrastructure Asset Management Strategy for 2022 – 2025 sets out the key objectives for the Highway Service against our major asset groups and records the level of service that we are aiming to achieve. It provides a means of identifying and prioritising the overall funding needs of our Highways assets.

The overarching document sets out the strategic objectives and identifies how the service will deliver them over the next strategy lifecycle.

The updated Strategy summarises the status of our key highway assets in terms of size and value and provides an accurate record of condition allowing us to anticipate overall funding needs.

The strategy will enable us to:

- Demonstrate the commitment to adopting the principles of highway infrastructure asset management by senior decision makers;
- Document the principles, concepts and approach adopted in delivering highway infrastructure asset management at a high level;
- Link with the Council's policies and strategic objectives and demonstrate the contribution of the highway service in meeting these;
- Set out the desired levels of service from implementing asset management;
- Facilitate communication with stakeholders of the approach adopted to managing highway infrastructure assets;

The Highways Infrastructure Asset Management Strategy has been further developed to meet the specific needs in accordance with the Code of Practice 'Well Managed Highway Infrastructure' (2016) and other industry good practice.

The strategy describes how an asset management framework helps to deliver an efficient and effective approach to a long-term highways service and supports better communication with customers and stakeholders.

The strategy is now more closely tied to the guidance than previously and also reflects the experience gained by the highways service.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

The Equality Act has been taken into account in this instance and an Equality Impact Analysis is attached Appendix B. This review of the Highways Infrastructure Asset Management Strategy is considered to have no impact as the strategy is at a high level of generality and is neutral in its impact on people with a protected characteristic when compared with people who do not share that characteristic.

Joint Strategic Needs Assessment (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

The effect of revisions to the Highways Infrastructure Asset Management Strategy on the JSNA and JHWS has been considered and deemed to have no direct impact.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The duties under section 17 of the Crime and Disorder Act 1988 have been considered and it is deemed that the proposed changes to the Highways Infrastructure Asset Management Strategy will have no direct impact.

3. Conclusion

The Highways Service has adopted a sound asset management-based approach for the maintenance of its assets and has already achieved the highest "Band 3" rating from the Department for Transport.

This Highways Infrastructure Asset Management Strategy is part of a continuing programme of work to ensure that the network continues to be managed in accordance with the principles of good asset management practice and that our position as a "Band 3" Authority is maintained.

4. Legal Comments:

The Council has the power to adopt the Strategy proposed. The decision is consistent with the Policy Framework and within the remit of the Executive Councillor.

5. Resource Comments:

Approval of the Highways Infrastructure Asset Management Strategy has no direct resource implications, however it sets out the Council's medium-term ambition for its Asset Management, which is then implemented through the annual Highways Infrastructure Asset Management Plan.

The programme of works that results from the application of the Plan is budgeted for

in the Council's Capital Programme and Revenue Budget which are both reviewed annually as part of the normal budget setting process.

Works of this nature are currently experiencing significant inflationary pressures which are being managed within the overall priorities of the programme and by committing additional resources from reserves and underspends as and when they become available.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The Report will be considered by the Highways and Transport Scrutiny Committee at its meeting on 24 October 2022 and the comments of the Committee will be reported to the Executive Councillor.

d) Risks and Impact Analysis

Yes – see the body of the Report

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Highways Infrastructure Asset Management Strategy
Appendix B	Equality Impact Analysis for Highways Infrastructure Asset Management Strategy

8. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Highways Asset Management Policy	Highways asset management policy – Lincolnshire County Council
Highways Infrastructure Asset Management Plan	Highways infrastructure asset management plan – Lincolnshire County Council

This report was written by Jonathan Evans, who can be contacted on Jonathan.evans@lincolnshire.gov.uk.

This page is intentionally left blank